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October 31, 2002

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Rc: Arch Wireless Operating Company, Inc.
Ex Parte: CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200 and 95-16 and
NSD File No. L-00-72

Dear Ms. Dortch:

The Commission is currently considering potential changes to the method for assessing universal service contributions, including proposals to modify the current safe harbor approach. On October 25, 2002, CTIA, USTA, Qwest Communications International, Inc., Verizon Communications and Verizon Wireless submitted a joint *Ex Parte* filing on behalf of broadband wireless carriers advocating that the Commission "adjust the [universal service] wireless carrier safe harbor to at least 20% unless the wireless carrier can determine its actual interstate revenue."¹ Arch Wireless Operating Company, Inc. ("Arch"), through its attorneys, agrees that retention of a revenue-based universal service assessment methodology is the best approach. Arch submits, however, that the 12% safe harbor now applicable to paging companies remains an accurate assessment of interstate calling percentages on paging networks and should not be changed.

Unlike the broadband CMRS safe harbor, which was based on wireline DEMs data, the 12% paging safe harbor adopted by the Commission in 1998 was based on revenue estimates previously reported by paging carriers.² No one challenged this percentage as being inaccurate. In fact, at least two carriers suggested that the 12% paging safe harbor was probably too high.³

¹ CTIA et al. *Ex Parte* (Oct. 25, 2002).

² Federal-State Joint Board on Universal Service, *Memorandum Opinion and Order and Further Notice of Proposed Rulemaking*, 13 FCC Rcd 21252 at ¶ 13 (1998).

³ See Joint Comments of Advanced Paging, Inc. et al. (Jan. 11, 1999); Reply Comments of AirTouch Communications, Inc. (Jan. 25, 1999).

Marlene H. Dortch, Secretary

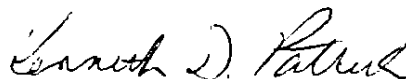
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Broadband CMRS carriers acknowledge that they have experienced an increase in interstate revenues due to the proliferation of nationwide calling plans incorporating free long distance minutes.⁴ There has been no commensurate development in the paging industry.' As Arch has observed in its comments in this proceeding, there have been no interstate bundling trends in the paging industry. Thus, Arch submits that the 12% paging safe harbor remains both a reasonable and realistic benchmark and should therefore be retained.

Respectfully submitted,

WILKINSON BARKER KNAUER, LLP



By: Kenneth D. Patrich

*Counsel to Arch Wireless Operating
Company, Inc.*

cc: Chairman M. Powell
Commissioner K. Abernathy
Commissioner M. Copps
Commissioner K. Martin
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T. Sugrue
J. Schlichting
J. Steinberg

⁴ See CTIA *Ex Parte* (Sept. 30, 2002) (reporting the results of a study demonstrating that the percentage of interstate traffic carried by six broadband CMRS carriers ranged from 10 percent to 28.5 percent).

⁵ The only new development in the paging industry has been the advent of two-way messaging services; however, Arch has not seen any evidence of a material change in calling patterns or increases in interstate revenue associated with these plans. Further, Arch and other paging carriers have experienced a significant decline in nationwide customers who might have otherwise placed/received a higher percentage of intrastate messages.